

Facts & Information

August 1999

Guide to Charges on Your Phone Bill

Telephone bills have become increasingly detailed over the years. The clutter of separate charges makes it difficult for consumers to determine whether they are benefitting financially from telecommunications competition. Understanding the charges and their origins can help. This fact sheet distinguishes between charges that are mandatory and unavoidable, and ones which vary between companies.

Mandatory Charges

These are charges you will find on your local phone bill regardless of who you do business with:

Washington Telephone Assistance Program (WTAP)

WTAP helps eligible low-income households throughout the state afford telephone service. WTAP is funded through an excise tax of 13 cents per month charged on each telephone line in Washington. For more information see our WTAP fact sheet.

Telecommunications Relay Services (TRS)

The Telecommunications Devices for the Deaf program allows hearing-impaired persons to make and receive telephone calls. The program is administered by the Office of Deaf and Hard of Hearing Services within the state Department of Social and Health Services. The TRS excise tax applies to all state phone lines and may not exceed 19 cents per month per access line. Currently, the tax is 15 cents per month.

Enhanced 911 (E-911)

Every county must have the capability to identify the location of a caller when they dial 911. This enhancement along with other 911 communication costs are covered through state and county taxes. The state tax is 20 cents per month. County taxes vary.

Federal Access Charge

The Federal Communications Commission (FCC) authorize local telephone companies to assess this charge to help cover the cost of providing service. The charge, also known as the subscriber line charge, should be considered part of the rate you pay for local telephone service. Companies can charge up to \$3.50 per month for the first residential line. Charges for second lines and business lines are higher, and vary.



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All UTC publications are
available in alternate formats.
Call (360)664-1133.

Number Portability Fee

In certain areas of the state, the local phone bill includes an additional monthly fee to cover a network's upgrade that was ordered by federal law. The upgrade allows customers who switch local telephone companies to keep their existing telephone number. The fee is approved by the FCC and do vary slightly between companies.

Other Taxes

Telephone companies collect federal, state and municipal utility and sales taxes. These collections are sent to the respective governments that impose the taxes. The companies also pay municipal business taxes which are usually stated as a separate line item on customer bills.

Discretionary Charges

In recent years, new charges have appeared on your long-distance service portion of your bill. They are not taxes, although their description might give that impression. Rates and descriptions vary between companies.

Universal Service Charge

The FCC requires long-distance companies to pay a percentage of their revenues into various funds which support affordable phone service for low-income customers, and customers in areas where the cost of providing service is high. Another fund subsidizes Internet and other advanced services for schools, libraries and rural health care providers. Most companies have chosen to cover this increased cost by charging customers a fixed amount per month. But the amount varies between companies.

Presubscribed Interexchange Carrier Charge

Long-distance companies must pay the local telephone company a fixed amount per month for each of the local telephone company's customer who is subscribed to their long-distance service. This charge allows the per-minute charge that long-distance companies pay local phone companies to be reduced, resulting in lower per-minute charges for customers. However, many long-distance companies have chosen to recover this cost by putting another line-item charge on their customers' bills. Again the amount varies between companies.

Minimum Monthly Fees

Some of the largest long-distance companies have started requiring their customers pay a minimum amount per month regardless of the amount of toll they use. This trend is described in more detail in our fact sheet on Minimum Monthly Long Distance Fees.

Toll Free Number for the Federal Communications Commission: 888-225-5322.

Toll Free Number for the UTC Consumer Line: 800-562-6150.